



JON W. FULLINWIDER
CHIEF INFORMATION OFFICER

COUNTY OF LOS ANGELES

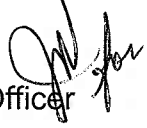
CHIEF INFORMATION OFFICE

500 WEST TEMPLE STREET
493 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012

TELEPHONE: (213) 974-2008
FACSIMILE: (213) 633-4733

November 30, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina, Chair Pro Tem
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: Jon W. Fullinwider 
Chief Information Officer

Subject: **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
(HIPAA) STATUS REPORT**

This is to provide you with a report on the County's status in complying with the HIPAA Transactions and Code Sets (TCS) Rules following the October 16, 2003 compliance deadline and a current status on the County's efforts to meet the April 20, 2005 compliance deadline for the HIPAA Security Rule. Attachment A (Summary of HIPAA Transactions and Code Sets Status) provides a transaction-by-transaction status of the information summarized below.

Electronic TCS

State of California Readiness

The State of California status has not changed. It continues to plan for a staged implementation of the HIPAA transactions over a period of many months and is not expected to be HIPAA compliant for some transactions within the 2004 calendar year. Neither the Department of Health Services (DHS) nor the Department of Mental Health (DMH) can complete testing and execute HIPAA compliant Medi-Cal transactions in advance of the State and its Fiscal Intermediary (FI). The State will allow providers to process selected non-compliant transactions until advised otherwise.

The State Departments of Mental Health and Alcohol and Drug Services have been conducting near-compliant remittance advice transactions (835) with counties for several months. They have also been working with Medi-Cal to complete the work on a fully compliant 835 for Short Doyle. Steps to include the federal funds participation amounts in the

transaction are scheduled for completion by March 2005. Full compliance for the 835 transaction is scheduled for implementation before March 2006.

Both DHS and DMH are in regular contact with their State counterparts and maintain current knowledge of the State's status and activities.

Federal HIPAA TCS Compliance Enforcement

The Center for Medicare and Medicaid Services (CMS) has not revised its enforcement policy since their notice "Guidance on Compliance with HIPAA Transactions and Code Sets" was posted on July 24, 2003. The document outlined CMS' complaint-driven enforcement strategy and a "Good Faith Policy" that allowed covered entities the opportunity to correct non-compliance in the event of a complaint and to take into account an entity's good-faith efforts to achieve compliance.

County of Los Angeles Readiness – Department of Health Services (DHS)

DHS' TCS compliance should be viewed based on its three separate lines of business: (1) Hospitals and Clinics, (2) Public Health, and (3) the Office of Managed Care (OMC).

Hospitals and Clinics

DHS hospitals and clinics process the vast majority of their transactions through Accordis, a clearinghouse. Accordis is submitting Medicare inpatient and outpatient 837 claims using approved HIPAA compliant Transaction and Code Sets (TCS) information reflective of all-inclusive rate revenue codes.

Accordis is submitting HIPAA compliant Medi-Cal inpatient claims to the State using the appropriate HIPAA compliant UB-92 revenue codes based on agreements reached with the State. The State is not expected to process HIPAA compliant Medi-Cal outpatient 837 claims in calendar year 2004. The County submitted a proposal to the State on December 20, 2002 for handling these outpatient claims and the State has not yet responded to this issue. This issue is being escalated to the State's designated HIPAA Coordinator.

DHS is submitting encounter data, via Accordis, to OMC. The encounter data submitted is consistent with the data required by the State Department of Health Services (SDHS) in processing inpatient Medi-Cal fee-for-service claims, and claims submitted to other health plans. However, the 837 transactions submitted to CHP via Accordis is not yet entirely CHP/LA Care HIPAA compliant – not all fields are populated. OMC has submitted the available DHS data to LACare for review and processing. DHS hospitals have begun to address this compliance with the second phase of their OMC Encounter Data Reporting project that will transmit available encounter data (i.e., ancillary data).

Public Health

There has been no change since the last report. Public Health is using a combination of an existing clearinghouse relationship and custom programming to achieve HIPAA TCS compliance. Full compliance is constrained because the State does not anticipate accepting HIPAA compliant outpatient Medi-Cal claims transactions from Public Health clinics this calendar year. The County and the State will continue to work through testing issues necessary to assure a reliable transition to HIPAA compliant transactions and will continue to process the non-compliant claims during this transition period.

Alcohol and Drug Program Administration (ADPA) and California Children's Services (CCS) are submitting HIPAA compliant transactions to their corresponding State agencies. ADPA began exclusively submitting HIPAA compliant 837 transactions to the State in May 2004.

Office of Managed Care (OMC)

As identified above, DHS continues to make progress towards providing HIPAA compliant encounter data to OMC from the DHS hospitals. As a health plan, OMC is required to have the capability to process the entire suite of HIPAA TCS, including some they have never used in the past and for which they have no current trading partner. Under the enforcement guidelines issued by CMS, OMC can demonstrate a good faith effort and progress towards compliance because they have certified the conformity of their transactions through a third-party certification agency.

County of Los Angeles Readiness – Department of Mental Health (DMH) and Kirby Center Readiness

DMH and County Counsel met with State Department of Mental Health (SDMH) and State Department of Health Services (SDHS) representatives on November 19, 2004 to discuss appropriate coding for claims, more than six months old but less than twelve months old, delayed because of the provider's difficulty implementing HIPAA transactions. The delays in claim submission were caused by training and operational problems in HIPAA compliant claiming encountered by contract and directly-operated DMH providers, coupled with problems with the use of the Integrated System (IS) that have slowed down data entry. The State, having experienced their own HIPAA-related operational issues, demonstrated a willingness to work with the County to develop a solution. A letter was sent from the Director of DMH documenting the County's concerns to the State and making a proposal for resolving the issue.

Following the successful completion of the two (2) Acceptance Test Periods and Final System Acceptance, the DMH IS has experienced both performance and reliability problems in recent weeks. The Internal Services Department (ISD) identified a data storage device that is contributing to the problems that needs to be replaced. A replacement storage device is already on-site at ISD, but installation and migration of data is expected to take more than a month. In the interim, the configuration of the existing storage device will be modified to

reduce vulnerability and the manufacturer will service the device to get optimum performance from it until the replacement can be installed. In addition, two servers are being replaced with more powerful units that will improve performance for end-users. DMH, ISD, and Sierra Systems, Inc. (Sierra) are initiating a review of the entire IS configuration to identify points of vulnerability and performance bottlenecks and plan actions to correct them. This review includes Sierra bringing in engineering expertise from Microsoft.

DMH has submitted routine production HIPAA compliant health care claims (837) transactions to the State for February through August 2004 Short-Doyle outpatient services and received corresponding HIPAA-compliant remittance advice files from the State for submissions through July 2004.

The claim files for February through May 2004 inpatient services were sent to the State without incident after earlier problems with inpatient files were resolved.

Effective July 1, 2004, DMH began submitting only HIPAA-compliant Medicare claims through National Heritage Insurance Company (NHIC), the Fiscal Intermediary for Medicare, for services delivered after June 1, 2004. The first such compliant submission was on October 15, 2004. However, NHIC sent back a non-compliant remittance advice file. DMH has advised them in writing that a HIPAA compliant file is required.

DMH has nine categories of trading partners, listed in the table below. The table indicates the number of partners in each category and the approximate number of partners in each category that are actively using the IS. There are two methods of claim submission into the IS: 1) Electronic Data Interchange (EDI) which is the electronic submission of a group of claims, and 2) Direct Data Entry (DDE) which is the manual entry of individual claims using a Web browser.

Trading Partner Category	Number in Category	Number Currently Using the IS
Fee-for-Service Inpatient	26	26 DDE
FFS Network Providers	569	163 DDE 22 EDI (8 billers serving multiple providers)
Directly Operated DMH Clinics	65	65
Short-Doyle Contract Providers	373	347 DDE 1 EDI (1 site for Pacific Clinics)
Short-Doyle Contract Hospitals	2	2 DDE
LA County Hospitals	4	1 DDE

State Hospitals	4	4 DDE (no claiming activity, DMH staff enter episode information only for utilization management purposes)
State Department of Mental Health	1	1 – Production use initiated June 21, 2004.
Institute for Mental Disorders (IMD)	9	9 DDE
US Government (Medicare)	1	1
Retail Pharmacy	111	0 (See text below)

All directly operated DMH clinics and the Kirby Center of the Probation Department are using the IS in production. All contract providers, with the exception of Pacific Clinics, are in production use of the IS.

Pacific Clinics was attempting to become certified with DMH to use a broader range of EDI transactions than any other contract provider so far, but they have since scaled their immediate ambitions back to the 837P (Health Care Claim – Professional Services) and the 270 (Eligibility Check). They are in production for the 837P transactions at one site, but there are some issues with the consistent formatting in the submitted files. They were scheduled to go live at the remaining sites on December 7, 2004, but have requested another extension. DMH believes that such the February 2005 extension is in our mutual best interest.

Until the remaining FFS Network Providers move onto the IS, DMH, ISD/ITS and Sierra resources are required to support two different but parallel electronic billing processes. There were 68 billers or providers actively submitting electronic claims to the old EDS State system before it was transferred to ISD/ITS support. There are approximately 10 FFS Network Providers or FFS billers currently in the EDI test process, 11 are now certified, and 8 are in production. DMH has a draft letter to be mailed to all FFS Network Providers and billers informing them that they are required to begin testing the EDI 837P HIPAA compliant transactions by December 15, 2004. DMH has also reinstated the requirement in the legacy system to transmit the DMH client identification number in the claim by December 15, 2004. This was done as an incentive to move providers and billers toward HIPAA compliant processing in the Integrated System. DMH is designing other incentives to motivate all FFS network service providers to transition to the Integrated System and they will be described in detail in the next status report.

Use of the IS for mental health clients receiving care at DHS hospitals is so far limited to Harbor-UCLA Medical Center. While there has been good progress in resolving outstanding issues, there has not yet been sufficient progress to support a decision to bring the three remaining DHS hospitals onto the IS. The issues are difficult and not amenable to quick fixes. DMH and DHS are working together to assure a successful deployment as soon as it can be done without risk to DHS or DMH revenue and with minimal disruption of hospital operations.

The HIPAA compliant National Council for Prescription Drug Program (NCPDP) pharmacy claim transaction is available for production use, but no pharmacy providers are using it in production. This is not really a problem at this time, but it does have to be resolved. DMH and Sierra have identified a solution for delivering pharmacy functionality that will make the DMH process more like that which retail pharmacies use with other payers. While the plan is known and the major decisions have been made, the plan has not yet been documented. Because of other IS priorities competing for finite resources, documentation of the plan has been deferred until December 14, 2004.

The IS is ready to exchange ANSI X.12 270/271 eligibility transactions with Medi-Cal. In late September, DMH and Sierra attended the training events scheduled by Medi-Cal to inform all providers on the specifications for the 270/271 transaction. The State had provided an anticipated implementation date of November 2004, but the implementation was postponed. No new date has been provided.

My office continues to monitor the IS implementation and will apprise your Board of progress.

Electronic TCS Summary

DHS and DMH are in continuing contact with the State to ensure that both organizations keep pace with the State's implementation. My office is continuing to monitor progress at the State level and the progress of both DHS and DMH within the County. I will notify your Board of any changes to the State HIPAA contingency plan that have the potential to impact County health or mental health operations.

While DHS' outpatient Medi-Cal claims will remain non-compliant until the State brings its processing into compliance, DHS hospitals are continuing to process HIPAA TCS-compliant Medicare claims and inpatient Medi-Cal claims.

OMC and DHS hospitals have resolved the issues related to the requirement for the submission of HIPAA compliant encounter records from the hospitals. They anticipate beginning production submission of available encounter data from hospitals by the end of December 2004.

DMH is continuing to process HIPAA-compliant Medi-Cal claims files and has cleared the claims backlog caused by the long State certification process. The DMH will continue to work with the State to address late claims, delayed due to the impact of the HIPAA Rules implementation. The remaining areas of focus for the IS deployment are FFS providers, DHS hospitals, and pharmacy functionality.

HIPAA Security Rules Compliance – Status

The HIPAA Security Rule (Security Rule) requires that the County's four covered components -- Health Services, Mental Health, Probation's Kirby Center, and the Sheriff's Pharmacy -- must maintain reasonable and appropriate safeguards to protect the confidentiality, integrity, and availability of their Electronic Protected Health Information (EPHI) against any reasonably anticipated risks. These safeguards are organized into three categories:

- **Administrative Safeguards.** These require policies and procedures for managing day-to-day operations, the conduct and access of workforce members to EPHI, and the selection, development, and use of security controls. Specific requirements include security management, security responsibility, workforce security, information access management, security awareness training, security incident procedures, contingency plan, evaluation, and Business Associate (BA) contracts and other arrangements.
- **Physical Safeguards.** These include a series of requirements meant to protect electronic information systems and EPHI from unauthorized physical access. Specific requirements include facility access controls, workstation use, workstation security, and device and media controls.
- **Technology Safeguards.** The technical safeguards are several requirements for using technology to protect EPHI, particularly controlling access to it. Specific requirements include access control, audit controls, person and entity authentication, and transmission security.

Complying with the Security Rule requires identifying and assessing risks to EPHI and implementing a wide variety of security policies, procedures, processes, and controls. The County's covered components have undertaken activities demonstrating a good faith effort to be in compliance; however, full compliance will not be achieved by the April 20, 2005 deadline. Full compliance with the Security Rule will be contingent on the completion of key activities that include:

- Completion of a risk analysis that assesses potential vulnerabilities and risk to EPHI and related information systems;
- Implementation of risk management measures designed to mitigate and reduce potential vulnerabilities identified in the risk analysis; and
- Development of contingency plans, including business continuity, disaster recovery and data backup, to ensure that EPHI can be available for patient care when needed.

To address the Security Rule risk analysis requirement, the Chief Information Security Officer has engaged Fox Systems, an Information Technology Support Services Master Agreement approved vendor, to perform the risk analysis at a fixed fee of \$470,432 for the covered components. This analysis will address required administrative, technical and physical security assessments and is scheduled to be completed after the April 20, 2005 compliance deadline. Solicitation and contracting for these consulting services was protracted due to the development of the Statement of Work, confirming the appropriate County solicitation vehicle, and final review and approval of the bid request by all involved parties.

The risk analysis project kick-off meeting is scheduled for December 8, 2004 and all work will be completed by May 31, 2005. To expedite Security Rule compliance, all field work will be completed and draft report findings will be delivered to the County prior to compliance date so that potential remediation efforts can be initiated and completed as soon as possible.

The covered components are not making expected progress to address the Security Rule contingency plan requirements due to time and cost constraints. Individual DHS hospitals must develop disaster recovery plans, as well as, backup site capabilities. This planning must be given a higher priority and proper funding to meet the compliance deadline. DMH has contracted with SunGard to develop disaster recovery plans and has completed a business impact analysis. They are not expected to complete and test these plans prior to the compliance deadline. The business continuity plan requirements are being addressed through the CAO's Office of Emergency Management's Countywide Business Continuity Program.

The covered components are also working to develop policies and procedures that are specified by Security Rule requirements. The departments are in the process of developing those documents or modifying existing ones. Outside counsel has reviewed DHS policies and these will be used as templates for the other covered components. Many of the policies for Kirby Center will be supplied by DMH since they also provide the information systems that process EPHI. The Sheriff is expected to be minimally impacted by this requirement and will have a reduced need for policy development.

In addition, the covered components are updating existing HIPAA specific BA agreements to add the Security Rule compliance requirements. They are also revising Memorandum of Understanding agreements with those departments that may have access to EPHI. Outside counsel has reviewed and approved the changes needed in these updates.

Furthermore, the covered components are conducting security awareness training for those employees that have access to EPHI. While the majority of training is computer based and uses the same web-based system that was used to conduct privacy training, that training is being augmented with classroom style training for those employees that do not have ready access to their own County provided computer. That process is being augmented with material provided by our outsourced HIPAA training company that has been distributed to the covered entities. My office has ordered, received and distributed a set of pamphlets that can be used to provide additional security and privacy training.

Finally, the existing countywide security program will be leveraged to address many security policies, procedures and processes mandated by the Security Rule. For example, a Countywide Computer Emergency Response Team is already in place for security incident reporting, responding to, and managing security incidents. Utilizing the countywide security program will allow us to accelerate and institutionalize the Security Rule requirements that have countywide applicability.

Attached is a chart showing the status of various critical processes required by each covered component to substantially comply with the Security Rule. This chart will be updated for each monthly report to show progress and to make the covered components more aware of areas that need special attention.

If you have questions or require additional information, please contact me at (213) 974-2008.

JWF:DH:ygd

Attachments(2)

c: Department Heads
Chair, Information Systems Commission

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
DHS Hospitals and Associated Clinics	Health Care Claim (837) Outbound	Outsource to Clearinghouse (Accordis)		Inpatient - Yes Outpatient - No	Inpatient - Yes Outpatient - No	Accordis (DHS Clearinghouse) is submitting Medicare inpatient and outpatient 837 claims using approved HIPAA compliant Transaction Code Sets (TCS) information reflective of all-inclusive rate revenue codes. Accordis is submitting HIPAA-compliant Medicare non-hospital 837 claims to the Fiscal Intermediary (NHIC).
						Accordis is submitting HIPAA-compliant inpatient Medi-Cal claims with "from" service dates beginning February 1, 2004, through the Medi-Cal Fiscal Intermediary (EDS). The State indicated that they will not be prepared to accept HIPAA compliant outpatient claims during this calendar year.
	Health Care Claim (837i) Outbound	Outsource to Clearinghouse (Accordis)				DHS data continues to be deficient in meeting LA Care's encounter data processing requirements. Accordis submitted a test file to OMC on September 13, 2004 that contained August 2004 dates of service. OMC reviewed the file and requested that Accordis make some changes to it. Since DHS will not have all required data available to complete the 837 transaction, the transaction file submitted by Accordis will not be complete. DHS hospitals will be implementing the second phase of this project to increase the data captured and submitted to OMC via the 837 encounter transaction. The transmission of additional encounter data to OMC is set for the first calendar quarter of 2005.
	Remittance Advice (835)	Outsource to Clearinghouse (Accordis)				The contracted vendor is expected to complete the programming work for extracting data for two facilities to accept and process the remittance advice information by the end of December 2004. The vendor is also expected to complete the translation of the data into a flat file so that the Department can process the data by the end of December 2004.
						Medi-Cal is generating both the non-HIPAA and HIPAA compliant remittance advice documents (RAs). In order for a provider to receive the HIPAA compliant RAs, they must submit new provider enrollment forms. DHS has submitted the necessary provider enrollment forms in order to obtain the HIPAA compliant RAs. The State has processed and approved 69 enrollment forms and they are still processing the eight (8) enrollment forms that were resubmitted. Until the State terminates the non-HIPAA RAs, DHS plans to process both the non-HIPAA and HIPAA RAs since the non-HIPAA RAs contain additional information that does not reside on the HIPAA RAs.
	Eligibility Inquiry & Response (270/271)	Quadrant/Med Affinity/Provider Advantage 270/271				The State continues to operate the non-HIPAA compliant Online Eligibility System (OES) for obtaining Medi-Cal eligibility information. The State has not officially announced when they will terminate the use of the OES or the acceptance of non-HIPAA compliant 270/271 transactions, therefore, the County will continue to utilize this system for obtaining Medi-Cal eligibility information. Since the State has updated their Point-of-Service (POS) system to meet HIPAA requirements, the County will continue to utilize this system for obtaining Medi-Cal eligibility information.
						For business purposes, DHS has installed the necessary software at all facilities to process HIPAA compliant 270/271 transactions. The software is in production and HIPAA compliant 270/271 transactions are being processed to various third party payors including Medi-Cal and Medicare. The Department has met the State's November 20, 2004 go live date for accepting HIPAA compliant 270/271 transactions.

Los Angeles County
Summary HIPAA Transactions and Code Sets Status

Attachment A

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
DHS Public Health Clinics	Health Care Claim (837) Outbound	Outsource to Clearinghouse (Accordis)				The administrative code sets have been implemented as scheduled on 10/16/03. Claims with service dates 09/22/03 and greater have been submitted to the State and have been adjudicated.
	Remittance Advice (835)	Paper				With regards to the implementation of national code sets, the State has not provided instructions on how to convert the local revenue codes to national codes. Therefore, until the information is received from the State, the clearinghouse vendor, Accordis, is unable to comply with HIPAA TCS regulations. Testing for format has been completed with the State and Accordis has received notification that it passed all format testing.
DHS Alcohol and Drug Programs Administration	Health Care Claim (837) Outbound	Custom coded front-end upgrade to capture the HIPAA data elements. Accordis, a clearinghouse, will process the actual transaction.				DHS Alcohol and Drug Programs Administration (ADPA) is submitting HIPAA-compliant 837 claims transactions to the State Department of Alcohol and Drug Programs (SADP) through its clearinghouse vendor, Accordis.
	Health Care Claim (837) Inbound	Paper				No change to existing process.
	Remittance Advice Outbound (835)	Paper				No change to existing process.
	Remittance Advice Inbound (835)	Paper				No change to existing process for the time being. The State has not provided a date by which they will implement a HIPAA compliant remittance advice (835) transaction.

Summary HIPAA Transactions and Code Sets Status

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
DHS Office of Managed Care (OMC)	Health Care Claim (837) Inbound	Vendor (HMS) modifying PMS to accept HIPAA compliant claim transactions from out-of-plan providers.				The X.12 837 transaction is certified by Claredi, however no trading partners have contacted CHP to conduct HIPAA-compliant transactions. OMC will continue processing this transaction in pre-HIPAA format consistent with the contingency plan, or on paper, until trading partner testing is complete. DHS has completed setting up a virtual private network with Claimsnet and OMC is now performing system testing with Claimsnet. OMC is currently coordinating an outreach effort to identify potential trading partners with out-of-network hospitals and physicians with whom to begin testing. No negative impact to OMC business processes or revenue flow has occurred. Status changed from "Not complete" to "Not complete for reasons beyond the control of the County" because CHP is technically ready to receive a 837 I&P should one be sent.
	Health Care Encounter (837) Inbound	Interface engine software being installed to feed the OMC Data Warehouse. Using clearinghouse (DDD) to translate incoming proprietary format from non-County providers to HIPAA-compliant 837 format.				OMC is accepting HIPAA-compliant 837P transactions from non-County providers via a clearinghouse (DDD) and they are testing the 837I. OMC is evaluating the transactions from DHS hospitals transmitted through Accordis. However, the DHS data sets are not completely HIPAA-compliant per the 837I specifications. Please refer to the "Health Care Claim (837I) Outbound" status in the above "DHS Hospitals and Associated Clinics" section. OMC has modified its legacy system to process the transactions between DHS hospitals and OMC until the production server and the new interface engine is installed and completely tested. For some time, OMC has been awaiting delivery of its production server on which to install the interface engine software. The interface engine will allow receipt of HIPAA-compliant 837I encounter records from DHS hospitals and will replace the interim solution now being tested.
	Health Care Encounter (837) Outbound	Data extracted from Data Warehouse will feed translator software to produce HIPAA compliant transactions.				OMC is awaiting delivery of a server, the same one mentioned above under Encounter (837) Inbound, to its data center on which to install interface engine software to allow sending HIPAA-compliant 837 encounter records that originated in DHS hospitals to LA Care. Completion is expected in the fall/winter of 2004. LA Care has stated that they will continue to support the pre-HIPAA format for a minimum of six (6) months for DHS Facility encounters. CHP is fully compliant on the submission of non-County provider transactions via a clearinghouse (DDD). No negative impact on business processes or revenue flow is anticipated.
	Remittance Advice (835) Outbound	Vendor (HMS) modified PMS to produce HIPAA compliant transactions.				The X.12 835 transaction is certified by Claredi, but it has not yet been tested with trading partners and no trading partner has requested remittance advice information in electronic format. OMC is currently providing 835 equivalent information on paper to its trading partners. HIPAA compliance is a non-issue until a switch is made to an electronic transaction. No negative impact on business processes or revenue flow has occurred.
	Health Care Enrollment and Disenrollment (834)	Vendor (HMS) modified PMS to produce HIPAA compliant transactions.				OMC successfully tested the 834 transaction with Universal Care. Testing continues with other trading partners. OMC is able to process a compliant X.12 834 transaction as of the October 16, 2003 deadline. State DHS did not meet the October compliance deadline for this transaction except for the Healthy Families Program, which stated they are in "material compliance." DHS currently provides its eligibility roster electronically to certain plan providers, including DHS facilities. OMC is in production with processing the Healthy Families' new data vendor, Maximus, and is in the final testing stage with LA Care, for Medi-Cal.

Los Angeles County
Summary HIPAA Transactions and Code Sets Status

Attachment A

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
	Premium Payment Order/ Remittance Advice (820)	Vendor (HMS) modifying PMS to accept and translate HIPAA transactions.				The State Healthy Families Program (HFP) is not expected to be ready to test the X.12 820 transaction with trading partners until the spring of 2005. HFP stated that the 820 electronic file they currently distribute is "materially compliant." The necessity for OMC to receive an X.12 820 transaction is settled and the need to generate an outbound 820 is still being investigated. OMC has completed custom programming modifications to its Patient Management System (PMS) that will allow it to receive and process the inbound 820 transaction, but has reached a point where they can make little progress without more information from the State. OMC will convert the 820 transaction file received from HFP to a flat file that will be sent to OMC Finance, thus mitigating any negative impact on OMC Finance or County Treasurer and Tax Collector (TTC) operations. In the interim, DHS will continue to process transactions in pre-HIPAA format. No negative impact on business processes or revenue flow is anticipated.
	Eligibility Inquiry & Response (270/271)	Vendor (HMS) modified PMS to produce HIPAA compliant transactions.				HMS completed testing with Claredi on 8/14/03. Trading partners have been contacted, but to date no providers have expressed an interest in using these transactions; hence there has been no testing with trading partners. No negative impact on business processes or revenue flow has occurred.
	Claim Status Summary (276/277)	Vendor (HMS) modified PMS to produce HIPAA compliant transactions.				HMS completed testing with Claredi on 9/17/03. Trading partners have been contacted, but to date no providers have expressed an interest in using these transactions; hence there has been no testing with trading partners. No negative impact on business processes or revenue flow has occurred.
	Health Care Service Review (278)	Vendor (HMS) modified PMS to produce HIPAA compliant transactions.				HMS completed testing with Claredi on 9/19/03. Trading partners have been contacted, but to date no providers have expressed an interest in using these transactions; hence there has been no testing with trading partners. No negative impact on business processes or revenue flow has occurred.
	NCPDP	Pharmacy Benefit Management Contractor				Contractor (PCN) is responsible for HIPAA Compliance of NCPDP transactions.
	Health Care Claim (837) Outbound	In-house development of 837 transaction output				Completed. Process is now routine.
DHS California Children's Services	Health Care Claim (837) Inbound	Paper				No change to existing process.
	Remittance Advice (835)	Vendor (EDS) supplied via website				Completed. Process is now routine.
	NCPDP	Paper				No change to existing process.

Los Angeles County
Summary HIPAA Transactions and Code Sets Status

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
DMH Department of Mental Health	Health Care Claim (837)	Integrated System - Wrapper of MHMIS and FFS (EDS)				The HIPAA-compliant X.12 837 transaction produced by the Integrated System (IS) has been certified by NHC, the fiscal intermediary for Medicare claims submissions. Production use of this transaction began October 13, 2004. February and March HIPAA-compliant 837 transactions for outpatient activity were sent to State Medi-Cal and 835 remittance advice files have been received back from the State. April, May, June, July, and August HIPAA-compliant claims files were sent to the State before the end of October 2004. The number of Fee-for-Service Providers conducting HIPAA-compliant transactions via the Integrated System is slowly increasing and the rest are submitting non-compliant information directly into the County implementation of the EDS system operated by ISD. Submitting claim transactions to the ISD operated EDS system is an option that will be shut down by March 1, 2005. This will transition all FFS network service providers into the Integrated System.
	Health Care Enrollment and Disenrollment (834)	Integrated System - Wrapper of MHMIS and FFS (EDS)				No change from last report. DMH began using the Integrated System (IS) to exchange the X.12 834 HIPAA transaction with Fee-for-Service Network Providers on November 24, 2003. DMH began using the Integrated System (IS) to exchange the X.12 834 HIPAA transaction with Short-Doyle providers on February 9, 2004. State and Federal compliance status is not relevant to or a constraint on this transaction.
	Remittance Advice (835) Inbound	Integrated System - Wrapper of MHMIS and FFS (EDS)				No change from last report. DMH has received production 835 Remittance Advice files from the State for February and March 2004 outpatient claims from the IS. The rate of denied claims was lower in the March file than it was in February, but still not quite up to pre-HIPAA averages. Like DHS, DMH will continue to process both the HIPAA-compliant remittance advice (835) and the non-compliant remittance advice so long as the State produces both because of the additional information on the non-compliant document. The State has embarked on an effort to make their 835 file fully HIPAA compliant.
	Remittance Advice (835) Outbound	Integrated System - Wrapper of MHMIS and FFS (EDS)				No change from last report. DMH pays for some services directly to the provider and for those services on the IS, they are currently producing HIPAA compliant X.12 835 remittance advice transactions. While this transaction is in production use, its status is "yellow" because of the limited number of trading partners involved at this time.
	Eligibility Inquiry & Response (270/271)	Integrated System - Wrapper of MHMIS and FFS (EDS)				No change from last report. The Integrated System began processing X.12 278 transactions with Fee-for-Service network providers on November 24, 2003, and with Short-Doyle providers effective February 9, 2004. State Medi-Cal will not support compliant authorization transactions this year. DMH will continue to process transactions in pre-HIPAA format with the State in the meantime. No negative impact on business processes or revenue flow is anticipated. While this transaction is in production use, its status is "yellow" because of the limited number of trading partners involved at this time.
	Authorization (278)	Integrated System - Wrapper of MHMIS and FFS (EDS)				No change from last report. The Integrated System began processing X.12 278 transactions with Fee-for-Service network providers on November 24, 2003, and with Short-Doyle providers effective February 9, 2004. State Medi-Cal will not support compliant authorization transactions this year. DMH will continue to process transactions in pre-HIPAA format with the State in the meantime. No negative impact on business processes or revenue flow is anticipated. While this transaction is in production use, its status is "yellow" because of the limited number of trading partners involved at this time.

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
	Health Care Claim Status Summary (276/277)	Integrated System - Administrative Transactions				No change from last report. DMH is presently offering the 276 and 277 X.12 transactions to Fee-for-Service network providers who are using the Integrated System. The HIPAA compliant X.12 276/277 transaction for contract and directly-operated Short-Doyle providers became available for production use on February 9, 2004, but it is not a transaction currently used by this group of providers. It will likely become more important to them as they process HIPAA-compliant claims transactions. State Medi-Cal will not support compliant status reporting transactions this year. The complexity of managing compliant local data without corresponding State transactions will introduce minimal risk.
		Integrated System - Wrapper of MHMIS				No change from last report. The HIPAA-compliant NCPDP transaction became available for production use on February 9, 2004. No pharmacy providers are testing or using IS pharmacy functionality in production. Changes to the Pharmacy IS Deployment Plan and possibly IS pharmacy functionality are being considered in an effort to provide a solution that improves work flow for pharmacy contract providers.
	NCPDP					

LEGEND:

Step complete

Not complete for reasons beyond the control of County

Not complete

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY (HIPAA)

Security Rule (Compliance Date April 20, 2005)					
	Department of Health Services	Department of Mental Health	Probation – Kirby Center	Sheriff - Pharmacy	Total County
Security Training	Total to be Trained: 22,500 Trained to Date: 99 Planned for next period: 0	Total to be Trained: 3,200 Trained to Date: 26 Planned for next period: 65	Total to be Trained: 101 Trained to Date: 0 Planned for next period: 0	Total to be Trained: 50 Trained to Date: 0 Planned for next period: 0	Total to be Trained: 25,855 Trained to Date: 125 Planned for next period: 65
Comments	<div>1. The statistics referenced above indicate each department's status in completing required HIPAA Security Training.</div> <div>2. The Chief Information Security Officer (CISO) is coordinating the acquisition of security training materials for the County and working with the various departmental project managers. Each department is required to manage and track their workforce's progress towards completing the assigned training. This includes ensuring that all personnel and volunteers are assigned to take the proper training curriculum.</div>				
Publication of Security Policies, Procedures and Forms	Policies Required: 20 Policies Complete: 0 Procedures Required: 20 Procedures Complete: 0	Policies Required: 20 Policies Complete: 0 Procedures Required: 20 Procedures Complete: 0	Policies Required: 20 Policies Complete: 0 Procedures Required: 20 Procedures Complete: 0	Policies Required: 20 Policies Complete: 0 Procedures Required: 20 Procedures Complete: 0	Policies Required: 80 Policies Finalized: 0 Procedures Required: 80 Procedures Complete: 0
Comments	<div>1. The department security officers are developing HIPAA Security Policies and Procedures to comply with HIPAA security rules. These policies and procedures must be adopted and distributed within the affected departments, no later than April 20, 2005.</div> <div>2. Most of the policies and procedures needed are drafted for DHS but have not yet been approved. DMH will use a copy of DHS policies modified for their needs.</div>				
Business Associate Amendments	Amendments Required: 100 Amendments Executed: 0 Target Completion: March 31, 2005	Amendments Required: 250* Amendments Executed: 0 Target Completion: March 31, 2005	Amendments Required: 100* Amendments Executed: 0 Target Completion: March 31, 2005	Amendments Required:3* Amendments Executed: 0 Target Completion: March 31, 2005	Amendments Required: 453 Amendments Executed: NA Target Completion: March 31, 2005
Comments	The Board delegated authority to Department Heads to execute amendments to existing agreements with business associates. The amendment language has now been approved by counsel and covered components may begin the update process.				
Interdepartmental MOUs	No. of MOUs Required: 5 No. of MOUs Executed: 0 Target Completion: March 31, 2005	No. of MOUs Required: 5 No. of MOUs Executed: 0 Target Completion: March 31, 2005	No. of MOUs Required: 1 No. of MOUs Executed: 0 Target Completion: March 31, 2005	No. of MOUs Required: 5 No. of MOUs Executed: 0 Target Completion: March 31, 2005	No. of MOUs Required: 20 No. of MOUs Executed: 0 Target Completion: March 31, 2005
Comments	The Board approved the use of interdepartmental MOUs to support the continued exchange of protected health information (PHI) between the four (4) HIPAA covered components and the five County departments (CAO, Counsel, Auditor, Treasurer and ISD) identified as providing services that require access to PHI. MOU revised language to support security requirements for EPHI has been approve by counsel and covered components may begin the update process.				

LEGEND:

	On Schedule for Completion
	Timely Completion Is Probable
	Timely Completion Is In Doubt